

**BOARD OF INVESTMENT TRUSTEES
MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS**

MINUTES – OPEN SESSION

July 16, 2004

11 North Washington Street, Suite 250
Rockville, Maryland

Board Members Present: Stephen Farber, Chair
 Arthur Spengler, Vice Chair
 Mark Barnard
 Tim Firestine
 Sharon Cayelli
 Beverley Swaim-Staley
 Joe Adler
 Sandra Kaiser

Staff: Linda Herman, Executive Director

Others Present: Marc Friedberg, Wilshire Associates
 Connie Donovan, General Counsel to the Board

CALL TO ORDER

Mr. Farber called the open session of the Board to order at 11 a.m.

DEFERRED COMPENSATION PLAN – THIRD-PARTY ADMINISTRATOR

The Board discussed expenses for outside legal fees related to the Board's involvement with recent actions taken by the County. Ms. Herman presented a draft resolution requesting funds from the County's Office of Management and Budget for outside legal expenses incurred in FY 04 and projected expenses for FY 05. After discussion, the Board approved the following resolution:

0407-01 Resolved, That the Board approves an allocation adjustment for the FY 04 Budget from Salaries & Benefits, Due Diligence and Office Management to Professional Services in the amount of \$3,800 to pay outside legal expenses.

Ms. Herman presented recommended changes to the fund mapping occurring as a result of contract negotiations with CitiStreet. The Board discussed the impact of the changes on participant accounts, fees, and the Morningstar ratings of the funds. Ms. Herman presented the recommendation of staff and Wilshire, to limit the investments permitted to be purchased through the self directed brokerage window to mutual funds and to place no restriction on the dollar amount of the participant's account balance that can be traded through the window. The Board approved the following resolution with Mr. Spengler abstaining from voting:

0407-02 Resolved, That the Board approves the fund mapping for the conversion of the deferred compensation plan assets to CitiStreet as presented. The Board

further approves the eligible investments to be purchased through the self directed brokerage window to be limited to mutual funds with no dollar limit on the amount on the participant's account balance that can be traded through the window.

The executive session of the quarterly Board meeting was adjourned at 11:15 a.m.

Respectfully submitted,

Sandra P. Kaiser, Secretary